REMARKS

Reconsideration and allowance in view of the foregoing amendment and the following remarks are respectfully requested.

By this amendment, claims 1-8 and 10-30 remain pending, claim 1 having been amended, claim 30 having been newly added and claim 29 having been canceled without prejudice or disclaimer.

Rejection of Claims 1-8 and 10-29

On page 3 of the non-Final Office Action of December 15, 2005, the Examiner rejected claims 1-8 and 10-29 under 35 U.S.C. 103(a) as allegedly being unpatentable over U.S. Patent No. 6,236,395 to Sezan et al. ("Sezan") in view of U.S. Patent No. 6,307,550 to Chen et al. ("Chen") and further in view of U.S. Patent No. 6,006,257 to Slezak. Claim 1 was amended to include the features of claim 29 and claim 29 was canceled without prejudice or disclaimer. Applicant traverses the rejection of claim 29, the features of which are now included in amended claim 1.

Amended claim 1 is directed to a method for generating a customized coded video sequence based on a subscriber's input. The method includes, among other things, outputting a customized coded video sequence to an output device as a multimedia presentation and inserting a customized advertisement during the multimedia presentation, wherein inserted customized advertisement includes an offer of an award to a user contingent, at least partly, on a user interaction. On page 13 of the Office Action, the Examiner alleged that Slezak, at col. 3, line 65 through col. 4, line 13, col. 8, lines 25-40, and col. 9, lines 38-66, discloses the inserted customized advertisement including an offer of an award to a user contingent, at least partly, on a user interaction. Applicant respectfully disagrees.

Slezak, at co. 3, line 63 through col. 4, line 13, discloses:

For example, when a viewer selects a movie to view as the primary program, he can be prompted to select whether he wishes to view the movie, for full charge without secondary programs, i.e. advertising, the same movie for half charge with some secondary programming presented during the movie, or the same movie at no charge with secondary programming including interactive advertising and questions, requiring a response from the viewer, presented during the movie. The nature of the secondary programming presented to the viewer can vary based on a number of determining factors, including the movie currently selected, a past history of the movies selected, the scene in the current movie at which the advertising will be displayed, previously collected demographic information about the viewer. In the case of interactive advertising, the advertising can change based upon the viewer's response to the questions presented during the interactive advertising in addition to any of the previous mentioned determining factors.

Thus, Slezak discloses that when a user selects a movie, the user is prompted to select a full movie for a fee without advertising, the same movie for half price with some advertising, or the same movie for free with advertising, including interactive advertising and questions. However, Applicant wishes to point out that selection of a movie with one of the above-mentioned options does not occur during a customized advertisement, but instead occurs at the time a movie is selected. Thus, this portion of Slezak fails to disclose or suggest that the inserted customized advertisement includes an offer of an award to a user contingent, at least partly, on a user interaction, as required by claim 1.

Slezak, at col. 8, lines 24-42, discloses:

Thereafter, when a viewer selects a certain movie, such as with an inferred remote control unit, a keyboard or a mouse, the set-top unit 504 requests, from an assigned video server 520, a secondary program showing a longer trailer regarding the selected movie while the overlay processing unit displays a message requesting the viewer to input whether he wishes to receive the movie for free, with a lot of advertising, for half the price with minimal advertising, or for full price with no advertising. Further, the overlay processing unit can be used during the advertising programming segments to take an order for the advertised product, request input from the viewer regarding the viewers responses to the advertising, the desirability for future advertising regarding the product shown during the advertising radio programming, or other demographic information. Additionally, the overlay processing unit 130 can be adapted to display other services, such as e-mail, video mail, voice mail (within an appropriate speech to text translator), faxes, etc.

Applicant submits that the above-cited portion of <u>Slezak</u> discloses showing a movie trailer while overlaying a message including the price of the movie with no advertisements, with some advertisements, and with a lot of advertisements. However, this portion of <u>Slezak</u> fails to disclose or suggest that <u>the inserted customized advertisement</u> includes an offer of an award to a user contingent, at least partly, on a user interaction, as required by claim 1. The award (reduced or no cost) is not offered during a customized advertisement.

<u>Slezak</u>, at col. 9, lines 38-66, discloses:

If, in step 2014, the message does not require a return question, it is determined whether the viewer is viewing a "must view" video in step 2020. A "must view" video may comprise, for example, advertising when the viewer has indicated that he wishes to receive advertising in return for a reduced cost of viewing the primary video programming. Alternatively, a "must view" video may also comprise, secondary video programming for which the advertiser has paid a premium fee to insure that a certain segment of the population receives it. Alternatively, in an educational setting, a "must view" video may comprise certain key points of the educational material which the student is required to view. If the viewer is viewing a "must view" video, the process proceeds to step 2022 where it is determined whether the command requests a forward shift in the current video stream or an entirely new video stream. If command does request a forward shift or change from the current video stream, the process is waited until the current "must view" video stream is completed in step 2024.

Once it has been determined that the viewer is not viewing a "must view" video, the process proceeds to step 2026 wherein the requested video stream is opened to the requested position in the command. At this point, the requested video data is sent in a sending process, see FIG. 8. Thereafter, in step 2028, secondary video programming is interactively interleaved into the primary video programming. In step 2020, when the end of file of the primary video programming is reached, the set-top is updated and the connected is closed. Subsequently, the process ends in step 2032.

Thus, <u>Slezak</u> discloses that a "must view" video may include advertising when the viewer indicated a desire to receive advertising in return for a lower fee. However, this portion of <u>Slezak</u>, as well as any other portion of <u>Slezak</u>, fails to disclose or suggest that <u>the inserted customized advertisement</u> includes an offer of an award to a user contingent, at least partly, on a user interaction, as required by claim 1. The award (reduced or no cost) is not offered during a customized advertisement.

Sezan and Chen fail to satisfy the deficiencies of Slezak. Therefore, Sezan, Chen and Slezak fail to disclose or suggest, either separately or in any combination, that an inserted customized advertisement includes an offer of an award to a user contingent, at least partly, on a user interaction, as required by claim 1. For at least this reason, Applicant respectfully requests that the rejection of claim 1 be withdrawn.

Claims 2-8 and 10-28 depend form claim 1 either directly or as a base claim and are patentable over Sezan, Chen and Slezak for at least this reason. Therefore, Applicant respectfully requests that the rejection of claims 10-28 be withdrawn.

Claim 29 was canceled without prejudice or disclaimer, thereby making the rejection of claim 29 moot. Applicant respectfully requests that the rejection of claim 29 be withdrawn.

New Claim 30

New claim 30 is directed to a method for generating a customized coded video sequence based on a subscriber's input. The method includes, among other things, inserting a customized advertisement during the multimedia presentation, wherein the inserted customized advertisement is personalized to include a name of a subscriber. Applicant submits that the cited references do not disclose or suggest such a feature.

CONCLUSION

Having addressed all rejections, Applicant respectfully submits that the subject

application is now in condition for allowance and a Notice to that effect is earnestly solicited.

Respectfully submitted,

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